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REDACTED – FOR PUBLIC INSPECTION

November 10, 2005

By Electronic Delivery

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: MB Docket No. 95-192

Dear Ms. Dortch:

Yesterday, Peter Stern, Executive Vice President of Product Management for Time Warner Cable Inc. ("TWC"); Steven Teplitz and Susan Mort of Time Warner Inc.; Arthur Harding and Craig Gilley of Fleischman and Walsh, LLP; Jim Coltharp of Comcast Corporation; Martha Heller of Wiley Rein and Fielding LLP; and Michael Hammer and Angie Kronenberg of Willkie Farr and Gallagher LLP met with Donna Gregg, Royce Sherlock, Sarah Whitesell, Amy Brett, Roy Stewart, Patrick Webre, Julie Salovaara, Daniel Shiman, Jamila Bess Johnson, Tim May, William Johnson, Wayne McKee, and Alison Greenwald of the Media Bureau; Ann Bushmiller, Neil Dellar and Jim Bird of the Office of General Counsel; Bill Dever of the Wireless Competition Bureau; and Leslie Marx and Jonathan Levy of the Office of Strategic Planning and Policy Analysis to discuss the proposed transactions whereby TWC will acquire certain cable systems from affiliates of Adelphia Communications Corporation and Comcast Corporation.

Pursuant to the Protective Order[1] adopted in this proceeding, Time Warner is submitting this notice letter and attached exhibits in redacted form. Both contain proprietary and confidential information that other MVPDs, including both parties and non-parties in this proceeding, could use to discern proprietary business and marketing strategies of TWC, causing the company substantial competitive harm. In accordance with the Protective Order, an unredacted version of this notice letter and exhibits will be submitted under separate cover to the

[1] Applications for Consent to the Assignment and/or Transfer of Control of Licenses, Adelphia Communications Corporation (and subsidiaries, debtors-in-possession), Assignors, to Time Warner Cable Inc. (subsidiaries), Assignees; Adelphia Communications Corporation (and subsidiaries, debtors-in-possession), Assignors and Transferors, to Comcast Corporation (subsidiaries), Assignees and Transferees; Comcast Corporation, Transferor, to Time Warner Inc., Transferee; Time Warner Inc., Transferor, to Comcast Corporation, Transferee, Order Adopting Protective Order, DA 05-1673 (rel. June 16, 2005).

Secretary's office with two copies delivered to Julie Salovaara of the Media Bureau. Under the terms of the Protective Order, the unredacted version of this submission should not be placed in the public record in this proceeding.

At the meeting, Mr. Stern made a presentation to the Commission staff members discussing why the proposed transactions are in the public interest. Specifically, Mr. Stern addressed two primary issues: (1) how the proposed transactions will accelerate the deployment of advanced services on the cable systems that TWC will acquire from Adelphia, and (2) how the geographic rationalization of TWC service footprints in various portions of the country will lead to increased efficiencies that will ultimately enhance MVPD competition and benefit consumers.

A hard copy of the Power Point slides used in Mr. Stern's presentation is attached to this letter as Exhibit 1 and supporting declarations from Mr. Stern and other TWC employees knowledgeable about the information contained in the presentation and the information below are attached as Exhibits 2-6.

Mr. Stern is well positioned at TWC to discuss these issues. In his current position, Mr. Stern has responsibility for overseeing product management of TWC's video and high-speed Internet services, including analog and digital video, video on demand, interactive TV, advanced advertising, digital video recorders, high-speed data services such as Road Runner and other online services. Mr. Stern works closely with the company's operations, technology, marketing, programming, and finance organizations to deploy new products, and he partners with the regional operations to support the growth of existing products. As such, Mr. Stern is well qualified to explain the impact the transactions will have on TWC's businesses, as well as its ability to upgrade and integrate acquired systems in order to deliver the above-described services to subscribers obtained from Adelphia and Comcast.

Mr. Stern began by discussing TWC's history and ongoing commitment to innovation and the introduction of new technologies and services. Mr. Stern discussed how TWC has consistently led the cable industry in this regard, and was the first operator to offer/launch numerous cutting edge services on its cable systems, including: (1) an interactive cable trial (Qube) in 1977, (2) a Video on Demand ("VOD") and Interactive TV trial ("Full Service Network") in 1994, (3) commercial Video on Demand – in 2000 and Subscription Video on Demand ("SVOD") in 2001, (4) a integrated Digital Video Recorder ("DVR") in 2002, (5) complete deployment of VOD in 2002, (6) a Voice over IP phone offering in 2003 which has been offered in all divisions as of 2004, (7) synchronous voting and polling via interactive television in 2003, (8) a multi-room DVR in 2004, (9) Caller ID on TV in 2005, (10) an IPTV trial in 2005, and (11) Start Over in 2005.

Mr. Stern then described some of TWC's newest services, including both commercial offerings and things "on the drawing board." For example, TWC is the first MSO to commercially offer "Start Over" service, launched just this month in TWC's South Carolina division. Start Over, enabled by a software upgrade to VOD and digital set-top boxes, allows customers to instantly go back to the beginning of any program in progress being aired on over 60 television and cable programming networks, thereby enabling the viewing of the program in its entirety, as long as they tune in before the show ends. When customers tune to a show

enabled with this feature, they are alerted of their ability to start the program over through an on-screen prompt.

In the past year, TWC also became the first MSO to launch an IPTV trial in its San Diego division. Called "Time Warner Cable Broadband TV," this service enables existing video customers to view 75 of the most popular channels on a broadband connected Windows PC within their home. This service, provided at no additional charge to customers, is an extension of TWC's video service providing subscribers with an additional outlet to receive their cable programming over their PC. It is a video simulcast — not a new tier — as customers will receive programming over IP that they have already paid for and receive via traditional video delivery. TWC is evaluating subscribers' reaction to this trial in order to determine whether to extend or expand it.

Another example of recent TWC innovation involves interactive TV ("iTV"). In 2003, TWC became the first MSO to utilize iTV to offer synchronous voting and polling. iTV provides subscribers with unique opportunities to interact with their televisions, including: access to local and national news; sports scores and statistics; weather, entertainment and community calendar information; eBay on TV; and interactive games. The iTV service suite also offers customers an advanced navigation system, caller ID on the television, instant and customizable news "tickers" and the ability to upgrade to premium channels and subscription-on-demand services through a click of the remote.

Mr. Stern then discussed how since 1996 TWC has invested over $17 billion upgrading, enhancing, and growing its plant into a sophisticated, broadband distribution infrastructure. TWC undertook this transformation years ahead of most other cable MSOs, becoming in 2001 the first MSO to complete a digital upgrade of all of its cable systems. As a result, TWC subscribers are now served by systems capable of two-way broadband communications and over 99% are currently served by systems with at least 750 MHz capacity. Mr. Stern explained that it is this investment that has transformed TWC's systems into highly-advanced digital networks capable of bringing consumers a "triple-play" of advanced video, high speed data, and voice communications.

Mr. Stern emphasized that TWC possesses the management expertise, marketing savvy, and customer service infrastructure needed to rapidly deploy advanced services. Mr. Stern reiterated TWC's commitment to bring its demonstrated technological expertise and leadership to the acquired systems. Mr. Stern explained that TWC has earmarked more than $600 million in capital expenditures primarily for the upgrade and hardening of systems to be acquired from Adelphia, but also partially for additional modifications to the systems to be acquired from Comcast. Notably, these estimated amounts apply primarily to plant-related capital expenses, and do not include incremental digital boxes and other customer premises equipment related to the roll-out of advanced services. TWC will replace any incompatible set-top box currently used by an Adelphia or Comcast subscriber in an acquired system at no additional charge beyond the standard monthly set-top box fee.

Mr. Stern explained that even for those acquired systems already rebuilt to 750 MHz capacity, additional work and expenditures likely will be required to bring the acquired systems to TWC standards ("hardening") in order to effectively deliver many of the advanced services

offered by TWC. "Hardening" might include such modifications as "splitting" particular nodes, replacement of certain fiber and coaxial cables, protecting against signal ingress, and installing new network equipment (such as more efficient Cable Modem Termination Systems ("CMTS")) needed to launch voice service. After the transactions have closed, and once the acquired systems can be fully inspected and tested, it is likely that many will need to be modified to meet TWC's standards. TWC anticipates that the process for any necessary upgrade and/or hardening of the systems to be acquired from Adelphia and Comcast will commence as soon as 120–180 days after closing of the transactions.

Mr. Stern then discussed how TWC has quickly and successfully launched a facilities-based alternative in voice communications. TWC began VoIP technical trials in Portland, ME in 2000, years before most other MSOs. In 2003, TWC launched its VoIP based Digital Phone service in Portland, North Carolina and Kansas City. Digital Phone includes unlimited local and domestic long-distance calling, along with a number of vertical services, including Call Waiting, Caller ID, and Call Forwarding. Digital Phone service provides almost all functionality of traditional circuit-switched service including toll-free 800 calling, directory assistance, operator services, E911 service, and Telecommunications Relay Services for the disabled. Local number portability allows new Digital Phone subscribers to keep their existing phone numbers, and subscribers may also keep a regular directory listing. In addition, Digital Phone is compliant with the Communications Assistance for Law Enforcement Act. Today, Digital Phone has been launched in all 31 TWC divisions and is currently available to 75% of TWC homes passed. TWC has signed up over 854,000 Digital Phone subscribers as of September 30, 2005, and fully expects one million Digital Phone subscribers by year end. By way of comparison, Adelphia has no VoIP service and no plans to introduce VoIP.

Mr. Stern demonstrated that TWC is uniquely positioned to roll-out its Digital Phone service in the acquired systems due to its industry-leading track record. Furthermore, he explained that the increased regionalization from the transactions will give TWC the ability to rollout Digital Phone services in newly acquired systems that are in close proximity to its existing operations since TWC can leverage: the people it has already trained (installers, sales force, customer service representatives, etc.); its existing infrastructure (e.g., soft switches); its established back office operations; its existing backbone network; and its connectivity to ILEC rate centers. Mr. Stern explained that because of these factors, the first areas where Digital Phone will be launched are likely to be those acquired systems with adequate plant condition and billing systems that are to be folded into existing TWC operations (e.g., _____ _____). Mr. Stern's presentation included a declaration from Gerald Campbell, Senior Vice President, Voice for TWC explaining that it is TWC's goal to use commercially reasonable efforts to launch Digital Phone service on systems to be acquired in these areas as soon as 90 to 180 days after closing, and in the _____ _____ as soon as _____ after closing.

Mr. Stern further explained how in 2000, TWC became the first MSO to launch VOD service and that VOD is now available to virtually all TWC subscribers. Current offerings provide subscribers with access to a substantial and diverse amount of content, including an average of 50 hours of local content and over 1,300 hours of national programming. Mr. Stern

emphasized that TWC expects to accelerate the roll-out of VOD offerings on the acquired systems within 120 to 180 days after closing.

Mr. Stern then turned to a review of how both the Adelphia system acquisitions and the system swaps between TWC and Comcast will bring about the geographic rationalization of TWC's service areas, producing significant public interest benefits that include increased competitiveness with national and regional providers of video, voice, and data services, as well as improved efficiencies that will redound to the benefit of consumers.

Mr. Stern described how the geographic rationalization of existing Adelphia and Comcast areas with TWC's existing divisions and service footprints will produce significant efficiencies. Mr. Stern explained, for example, that the estimated $200 million in efficiencies will include the elimination of redundant corporate and regional operations, a direct result of geographic rationalization. He also stated that savings in programming costs are expected in the acquired systems. Mr. Stern explained that these efficiency savings will benefit consumers through investment in systems and services as well as by reducing upward pressure on prices. Mr. Stern noted that as TWC has proceeded with the transaction process, the estimated savings are continuingly being refined. TWC continues to have a high degree of confidence that the $200 million in estimated cost savings will be met.

Mr. Stern then explained how the geographic rationalization will more directly impact TWC's competitiveness. TWC currently faces intense competition for video, voice, and data customers from, among others, services that operate with national (e.g., DBS) or expansive regional (e.g., ILEC) footprints. The DBS providers, DirecTV and the Dish Network, now serve 25% of all MVPD subscribers and continue to grow their subscriber base at a strong pace. Mr. Stern explained how, as a result of the proposed transactions, TWC will be able to deploy new services more efficiently and to mount more effective marketing campaigns and promotional efforts aimed at attracting and retaining customers for those services. As a result, consumers will benefit from greater choice and more effective competition.

Mr. Stern then elaborated on some of the marketing efficiencies that can be expected due to the transactions with a case study of the Los Angeles and upstate New York divisions' marketing strategies. Mr. Stern explained that TWC currently serves less than 10% of the Los Angeles DMA, making it extremely inefficient to purchase local mass media advertising to generate awareness of its services. As a result, TWC has placed no radio, print or television ads in Los Angeles over the last two years. By contrast, due to their broad reach in Southern California, Verizon, SBC, Dish Network and DIRECTV are able to regularly purchase full page newspaper ads, radio airtime, and local television spots. Because TWC cannot purchase media as efficiently as its competitors in Los Angeles, it is difficult to respond to their marketing campaigns in a meaningful way.

By contrast, TWC's operations in upstate New York are fairly well clustered today, offering service throughout substantial portions of the Albany, Rochester, and Syracuse DMAs and some surrounding areas. TWC also faces intense competition in these areas from DIRECTV and Dish Network, as well as other providers like Verizon and Frontier Telephone. As in Los Angeles, these competitors make extensive use of local and regional media, including newspaper, radio, and television, to market their services. But because TWC's footprint in these

areas approaches the size of its larger competitors, TWC is able to use local and regional media efficiently and effectively to design marketing campaigns to remain competitive. Mr. Stern explained that the increased geographic rationalization in areas like Los Angeles will allow that division to enjoy the scale similar to the upstate New York divisions, enhance TWC's ability to engage in mass marketing and advertising, and thereby effectively respond to the mass marketing of the DBS providers and the telcos. This will ultimately lead to more vigorous competition and greater choice and consumer awareness of competitive offerings.

Mr. Stern also noted that larger service footprints will promote emergency preparedness, enable TWC to provide greater support for the communities it serves, and provide greater support for regional and state-wide programs, including cultural and community service programs.

In conclusion, Mr. Stern emphasized the unique location of systems involved in the transactions. Neither a swap of existing systems independent of the Adelphia system acquisitions, nor the acquisition of Adelphia systems independent of systems swaps, would produce the level of benefits and efficiencies described above.

Pursuant to Section 1.1206(b)(2) of the Commission's rules, this letter is being filed electronically with the Office of the Secretary. Should there be any questions, please contact the undersigned.

Sincerely,

Arthur H. Harding
Counsel for Time Warner Inc.

cc: Best Copy and Printing, Inc.
Donna Gregg
Sarah Whitesell
Erin Dozier
Tracy Waldon
Royce Sherlock
Marcia Glauberman
Julie Salovaara
Wayne McKee
Jim Bird
Jeff Tobias
JoAnn Lucanik
Kimberly Jackson
Bill Dever
Amy Brett
Roy Stewart
Patrick Webre
Daniel Shiman
Jamila Bess Johnson
Tim May
William Johnson
Alison Greenwald
Leslie Marx
Jonathan Levy
Neil Dellar
Ann Bushmiller

Attachments
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TIME WARNER CABLE *Now anything's possible.*

Time Warner Cable
Adelphia Transaction – Benefits Presentation
Advanced Services and Geographic Rationalization

Federal Communications Commission
November 9, 2005

Today's presentation

TWC is an industry leader in new technologies and services

Adelphia subscribers acquired by TWC will benefit from TWC's stability and innovation

Geographic rationalization will promote competition and benefit subscribers

Today's presentation

TWC is an industry leader in new technologies and services

Why we lead in innovation

Our customers expect the best and we strive to provide it to them

It's how we grow our business

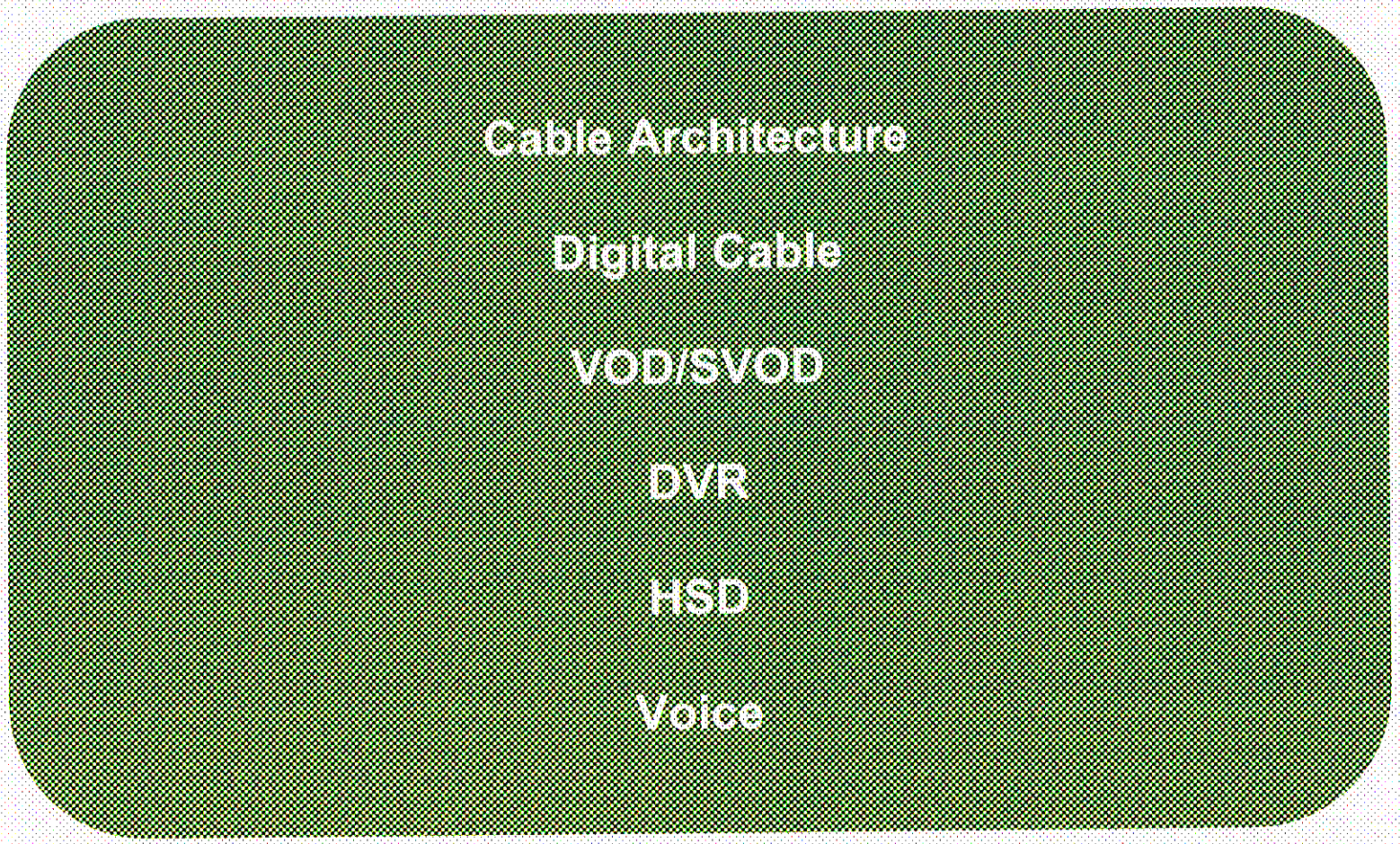
TWC Has Consistently Led the Cable Industry in Innovation

- First interactive cable trial – Qube - 1977
- First MSO VOD and ITV trial – Full Service Network - 1994
- First MSO to launch VOD – 2000
- First MSO to complete digital upgrade - 2001
- First MSO to launch SVOD – 2001
- First MSO to offer a DVR – 2002
- First MSO to complete deployment of VOD – 2002

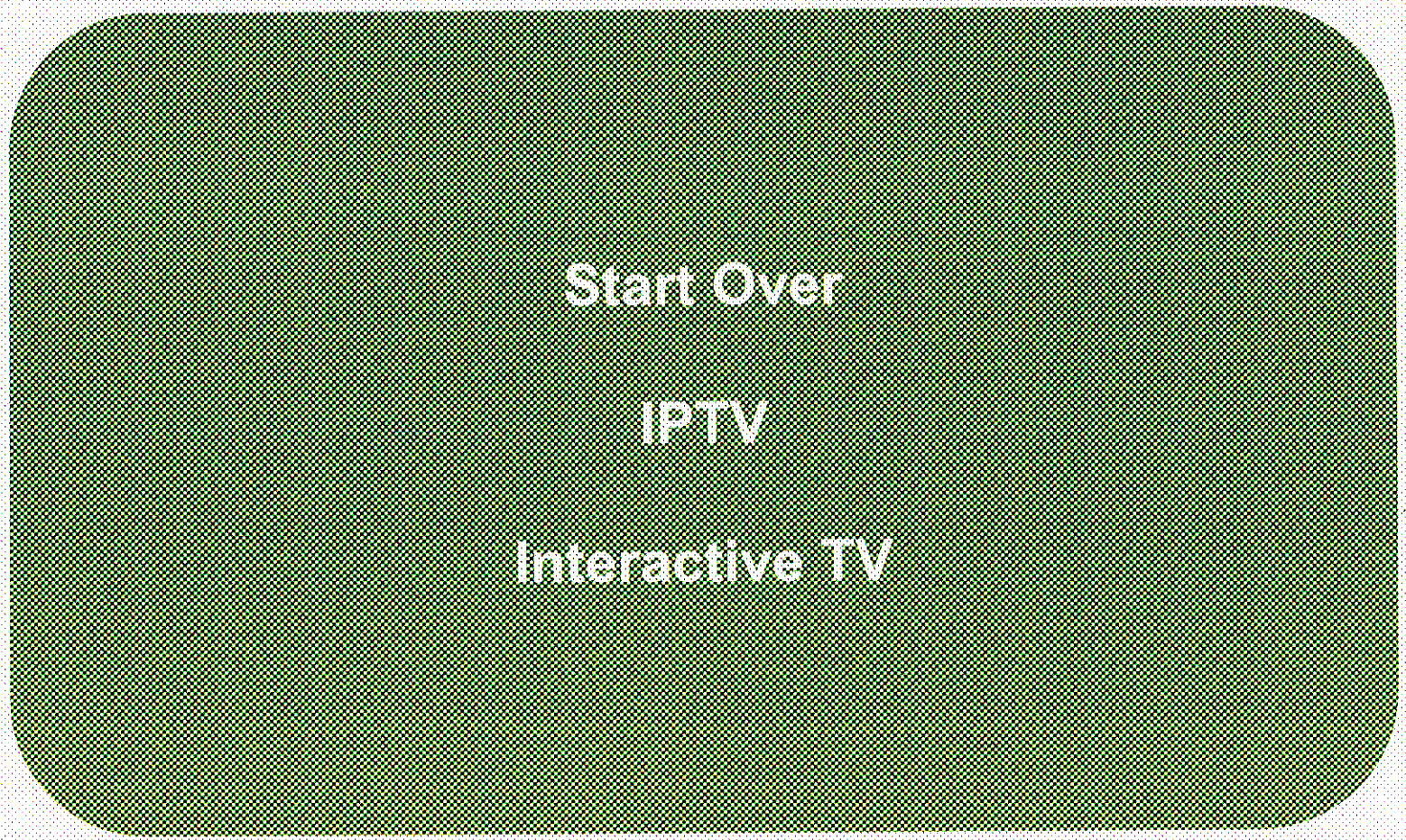
TWC Has Consistently Led the Cable Industry in Innovation

- First MSO to commercially launch Voice over IP Phone – 2003
- First MSO to offer synchronous voting & polling – 2003
- First MSO to commercially offer multi-room DVR – 2004
- First major MSO to commercially offer Caller ID on TV – 2005
- First major MSO to offer IPTV trial – 2005
- First MSO to commercially offer Start Over - 2005

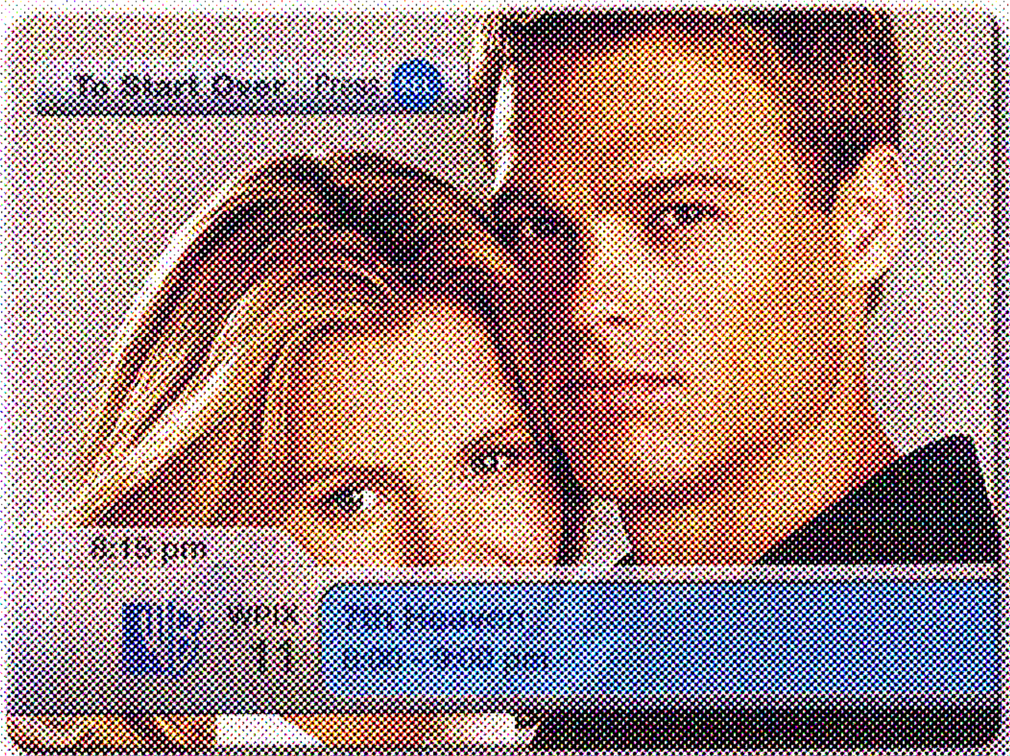
How we lead in innovation today



How We Are Leading Into The Future – New Technologies and Services



TWC Is An Industry Leader In New Technologies and Services



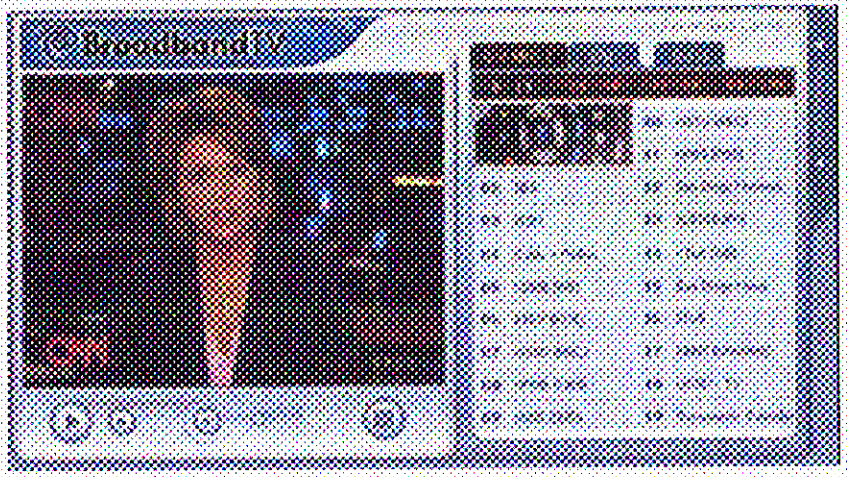
startover

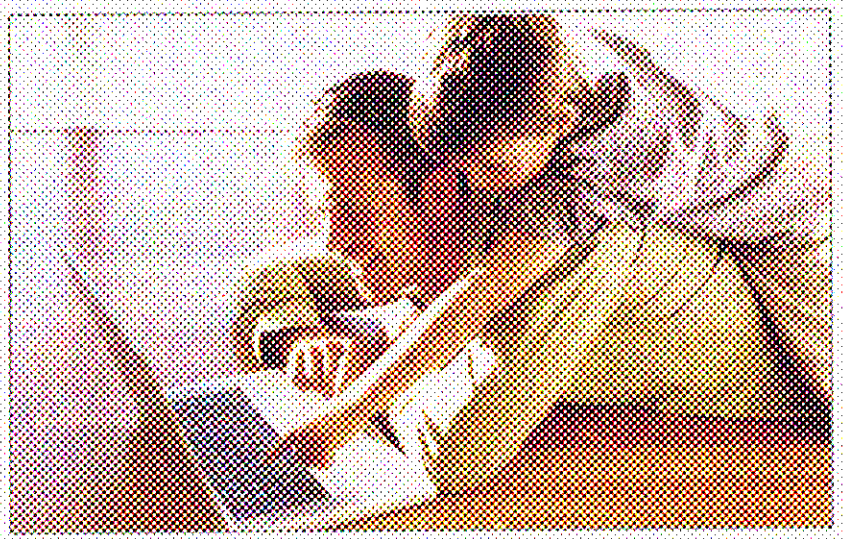
TWC South Carolina • November 1, 2005

- Simply press a button to restart from the beginning
- Included with digital cable service
- Launch line-up = greater than 60 Channels
- 11 Network Groups involved
- 3 local broadcast channels NBC, WB, & PBS

Participating Networks

TWC Is An Industry Leader In New Technologies and Services





Time Warner Cable Broadband TV

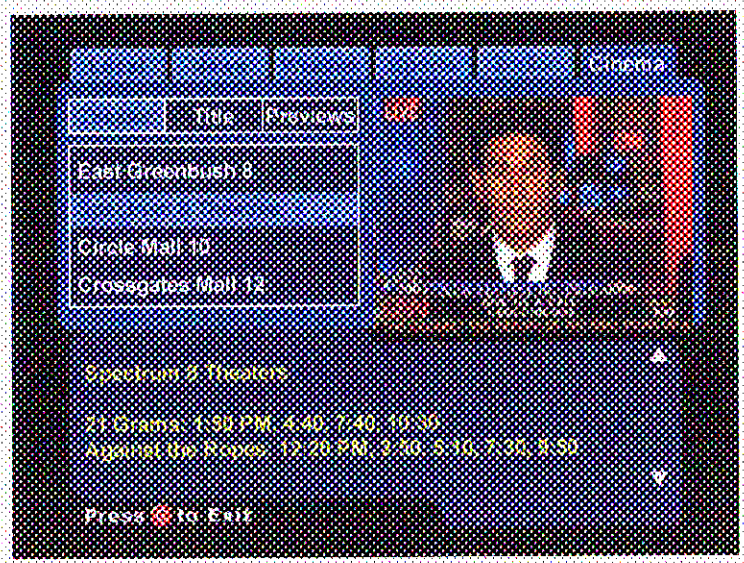
- 6 month IPTV trial in San Diego
- Allows existing video customers to view a simulcast of their lineup on a broadband connected Windows PC in their home
- Provides subscribers with an additional outlet for video programming at no charge

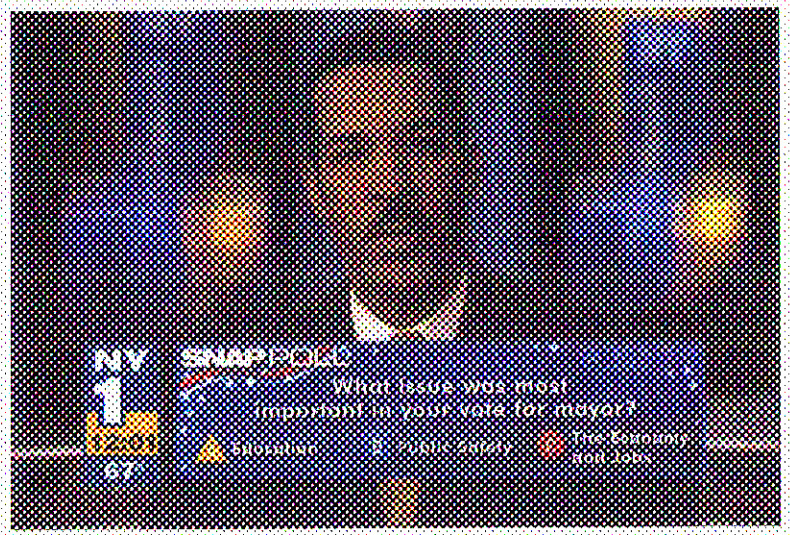
TWC Is An Industry Leader In New Technologies and Services

Interactive TV

Provides subscribers with unique opportunities to interact with their televisions, including:

- Access to local and national news, sports scores and statistics, weather, entertainment and community calendar information
- eBay on TV allows subscribers to bid on items and receive alerts on auction status
- Games





NY1 "Snap Poll" – NYC Mayoral Primary
September 13th, 2005

- More than 17,000 votes were tallied via set-top box in one night on one channel
- Results were posted within 15 minutes of each vote, and the on-air talent spoke to the result

Today's presentation

Adelphia subscribers acquired by TWC will benefit from TWC's stability and innovation

Case Study – Infrastructure Investment

TWC:

- Since 1996, TWC has invested over $17 billion upgrading, enhancing, and growing its plant into sophisticated, broadband distribution infrastructure
- As a result, all TWC subscribers are served by systems capable of two-way broadband communications and over 99% are currently served by systems with at least 750 MHz capacity
- This has transformed TWC's systems into digital networks capable of bringing consumers a "triple-play" of advanced video, high speed data, and voice communications
- TWC undertook this transformation years ahead of most other cable MSOs and was recognized by the National Academy of Television Arts and Sciences in 1994 with an Emmy award for its HFC architecture

Case Study – Infrastructure Investment

Adelphia:

- Based on information provided by Adelphia when the Transactions were announced, approximately 15% of existing Adelphia plant that will be acquired by TWC still had not been upgraded to 750 MHz
- In addition, not all 750 MHz Adelphia systems are state of the art
  - A number of Adelphia systems were upgraded before current industry standards were established
  - As a result, work still needs to be done to "harden" the systems to bring them to industry standards, such as:
    - Installing new network equipment, such as CMTSs, needed to launch voice
    - Splitting nodes in areas where capacity is not adequate
    - Replacing drop cable in certain areas, such as MDUs, and cable not done at time of original upgrade

Case Study – Infrastructure Investment

TWC will move expeditiously to upgrade and harden current Adelphia and Comcast systems to accelerate the rollout of advanced services

- $650 million has been earmarked for these purposes
  - An estimated $275 million will be devoted to upgrade systems to 750 MHz
  - Provisioning for other system improvements to be determined once a full plant assessment has been conducted
- TWC hopes to begin the upgrade and hardening process within 120 to 180 days post-closing

Case Study – Voice Communications

TWC:

- TWC has quickly and successfully launched a facilities-based alternative in voice communications

2000	Technical trials begin in Portland, ME – years before most other MSOs
2003	TWC rolls out Digital Phone to residences in Portland, ME; North Carolina; and Kansas City
Today	Digital Phone launched in all 31 divisions and currently available to 3/4 of TWC homes passed

- With 854,000 Digital Phone subscribers as of September 30, 2005, and thousands more taking service each month, TWC leads the cable industry in VoIP subscribers

Case Study – Voice Communications

Adelphia:

- Voice service offerings – NONE
- Plans to launch voice service – NONE

Case Study – Voice Communications

TWC plans to swiftly rollout Digital Phone to current Adelphia systems

- TWC hopes to begin rollout within 90 to 180 days post-closing
- The initial rollout will likely be in newly-acquired systems contiguous to current TWC systems given the presence of existing:
  - Trained CSRs and technicians
  - Infrastructure and backbone network
  - Back office systems and rate centers
- The introduction of reliable, facilities-based voice competition in Adelphia service areas will bring significant benefit to consumers – increased choice and competition will lead to lower prices and more innovation

Case Study – Video-on-Demand

TWC:

- TWC was the first MSO to launch VOD in 2000
- VOD is available to virtually all TWC subscribers
- Current offerings provide subscribers with access to a substantial and diverse amount of content, including over 1,300 hours of programming, with an average of 50 hours of local content
- The amount of available content is expected to grow to over 2,000 hours in the next year